

About the Montana Board of Housing

The Housing Act of 1975 created the MBOH. It is an agency of the state and operates within the Department of Commerce. Montana's Legislature established the MBOH to address the shortage of adequate and affordable housing for Montana families. The MBOH's programs are wholly self-supporting. Montana's taxpayers bear none of the cost for the operation of the MBOH.



Homeownership Program

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Maximum Income Limits As of April 4, 2007

County or Area	Small Household (1 or 2 persons)	Large Household (3 or more persons)
(Areas shown with * are targeted areas)		
Billings/Yellowstone (Census Tract 3)*	\$54,900 \$65,880	\$61,928 \$76,860
Blaine*	\$60,840	\$70,980
Carbon	\$54,900	\$63,135
City of Great Falls*	\$60,840	\$70,980
Chouteau – Census Tract 9401*	\$60,840	\$70,980
Daniels – Census Tract 9402*	\$60,840	\$70,980
Deer Lodge County*	\$60,840	\$70,980
Flathead County*	\$60,840	\$70,980
Gallatin County	\$58,400	\$67,160
Hill County*	\$60,840	\$70,980
Jefferson County	\$60,000	\$69,000
Lewis & Clark County	\$58,400	\$67,160
Mineral County*	\$60,840	\$70,980
Missoula County*	\$65,400	\$76,300
Rosebud County	\$51,700	\$59,455
Sanders County*	\$60,840	\$70,980
Sheridan-Census Tract 9402*	\$60,840	\$70,980
Silver Bow County*	\$60,840	\$70,980
Stillwater County	\$56,300	\$64,745
Sweet Grass County	\$52,600	\$60,490
All other Counties and Areas	\$50,700	\$58,305

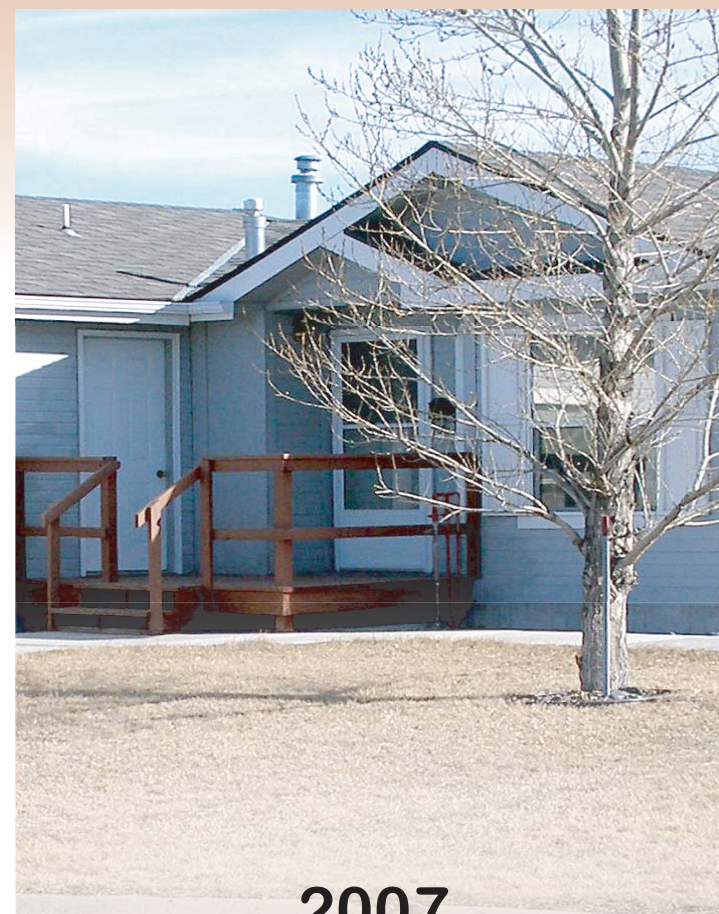
Maximum Purchase Price Limits Statewide as of May 7, 2007

Loan Type	Max Cost for: Existing	New Construction	Max Loan Amount
FHA	\$237,031	\$237,031	\$200,160
All Others	\$237,031	\$237,031	\$237,031

housing.mt.gov



Reduce Your Taxes With Mortgage Credit Certificates



2007



How it Works

Turn your homeownership dreams into reality with a Mortgage Credit Certificate (MCC) from the Homeownership Program at the Montana Board of Housing (MBOH).

A qualified homebuyer using an MCC can claim up to 20% of annual interest paid on a home loan as a federal income tax credit. The remaining interest (80%) continues to qualify as an itemized deduction.

For example, let's say you take out a \$100,000 mortgage at 6 percent interest. You will pay \$6,000 in interest the first year. With an MCC, 20 percent of this amount, or \$1,200, can be applied to your taxes as a credit to reduce your federal income tax liability. Unused credit can be carried forward for up to three years.

In addition, you can file an amended W-4 with your employer to reduce your tax withholdings, and increase your net take home pay by \$100 per month (\$1,200/12). You can even use this MCC tax savings to help qualify for your loan or to qualify for a larger mortgage loan amount.

To make things even better, you can receive your federal income tax credit for as long as you retain the same mortgage loan and occupy the home as your primary residence.

The MCC can be used in conjunction with any loan statewide, including loans made in American Indian reservations. The only loan an MCC cannot be attached to is one financed by the MBOH Bond Program.

The lender you choose will establish all underwriting criteria, including interest rate, down payment requirements, term, fees, points and closing costs.

Eligibility Guidelines:

Purchase Price Limits

Income limits, purchase price limits and loan limits change each year. The current list is on the back panel. Changes are posted to our web site at housing.mt.gov

First-time Homebuyer

You must be a first-time homebuyer, unless you are purchasing a home in federally designated targeted areas (targeted areas are noted on the back panel). A first-time homebuyer is defined as someone who has not had ownership interest in his or her primary residence for the previous three years. Prior ownership of a manufactured home is excluded from this provision.

Owner Occupancy

The MCC is valid for the life of the loan, as long as you remain the owner-occupant of the residence.

Business Use Limits

No more than 15 percent of the residence may be used for trade or business purposes.

Recapture Tax

A federal recapture tax may apply only if –

You sell your home in the first nine years **and**
Your income has increased significantly **and**
You have a substantial gain on the sale.

It is estimated that fewer than 5% of Montana families will reach the income threshold that would trigger any recapture tax.

New Loans Only

The MCC is only available for new purchases. MCC's cannot be used to refinance your home, unless you are replacing short-term bridge financing with a term of 24 months or less. An MCC can be used on any loan type, at any rate, with any loan term, except for a loan financed through the MBOH Bond Program.

You may apply for an MCC from any mortgage lender participating in the program. The lender will process the MCC application at the same time the paperwork is processed for your mortgage loan. There is a maximum, one-time MCC application fee of \$400.